LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

FUEL POVERTY (TARGET, DEFINITION AND STRATEGY) (SCOTLAND) BILL
CALL FOR VIEWS

SUBMISSION FROM AGE SCOTLAND

Introduction

Age Scotland welcomes the opportunity to respond to the call for views on the Fuel Poverty (Target, Definition and Strategy) Scotland Bill and believes that the Scottish Government should be commended for providing leadership in introducing the first ever Fuel Poverty Bill. This is a landmark development in the fight to eradicate fuel poverty and in bringing low carbon and affordable warmth to households in Scotland. However Age Scotland believes that the Scottish Government must go further for this ambition to be fully realised. This submission has been informed by Age Scotland’s extensive work with older people’s groups, feedback from older people through our “Warm and Well” roadshow and calls to our free Age Scotland Helpline, research conducted by our Housing project and our position on the Board of Energy Action Scotland (EAS).

Fuel Poverty Eradication Target

1. Do you agree with the Scottish Government’s proposal to provide for a statutory target to reduce fuel poverty to no more than 5 per cent of Scottish Households by 2040?

Age Scotland welcomes the introduction of a statutory target to reduce fuel poverty to no more than 5% and welcomes the fact that the fuel poverty target has been reduced from 10% to 5%. However we believe that the timeframe for achieving this by 2040 lacks ambition and that the failure to bring this forward risks condemning a whole generation to living in fuel poverty. Age Scotland are members of the Existing Homes Alliance Scotland and endorse their proposed target that: “no one should be living in fuel poverty, as far as reasonably practicable, by 2032.”

Fuel Poverty Definition

2. Do you agree with the Scottish Government’s proposals for a revised definition of fuel poverty?

Yes. Age Scotland believes that any change to the definition of fuel poverty must be underpinned by a robust evidence base. It therefore welcomes the work of the

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1 Fuel Poverty (Targets, Strategy and Definition) Bill Briefing, The Existing Homes Alliance Scotland, September 2018.
independent expert panel\(^2\) following the recommendation of the Scottish Fuel Poverty Strategic Working Group (SWG) that a review of the definition be undertaken.

**Minimum Income Standard** - Age Scotland supports the new definition and the proposal to use After Housing Costs (AHC) and a Minimum Income Standard (MIS) as a means of both measuring fuel poverty and targeting support appropriately to vulnerable households.

We recognise that this broader definition will capture many more households who currently struggle to meet their energy costs once they have paid their housing costs but who are currently excluded. **Age Scotland calls for the recommendation of the independent review panel that MIS be adjusted upward for households in remote rural and island areas to be adopted in the Bill.** We believe that the failure to do so would seriously risk undermining one of the three principles outlined in the earlier consultation, namely, that “The fuel poverty strategy will be firmly based on the principle of social justice and creating a fairer and more equal society, irrespective of whether individuals live in urban or rural Scotland.”\(^3\)

There is clear evidence that households in remote, rural and island areas face considerably higher household bills as a result of a much harsher climate, difficulties in accessing fuel sources, particularly for households that are off the gas grid, and the nature of the housing stock in those areas. The continuing high cost of living which is estimated to be around 10% to 35% more than in urban areas.\(^4\) and the exposure to any future rise in energy costs makes it all the more important to implement the independent review panel’s recommendation that MIS be adjusted upward for households living in remote rural areas.

**Vulnerable Heating Regime** – Age Scotland welcomes the proposed changes in respect of the Vulnerable Heating Regime. By increasing the recommended temperatures for bedrooms and other rooms from 18 to 20°C for vulnerable households this removes a potentially harmful 5°C difference between the living room and other rooms in the house. Age Scotland is mindful of the health risks associated with cold homes and the evidence that older and vulnerable people are at greater risk of ill health and death during the winter months from pre-existing health conditions such as respiratory conditions, heart disease and dementia. We are acutely aware of the continuing prevalence of Excess Winter Deaths with 4,797 recorded in 2017/18. There was a significant rise in excess winter deaths among people aged 85 and over, with 2,500 additional deaths compared to

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1,440 in 2016/17 according to National Records of Scotland\(^5\). Therefore the proposed heating regime for vulnerable households is particularly important for those households which are more vulnerable to the adverse outcomes of colder homes, namely those with at least one member with a long term illness or disability or households with older members.

**Fuel Poverty Strategy**

**3. Do you agree with provisions in the Bill requiring the Scottish Government to publish a fuel poverty strategy? Do you also agree with the consultation requirements set out in relation to the strategy?**

Age Scotland strongly supports these provisions and believes that the Fuel Poverty Strategy for Scotland 2018 \(^6\) and the proposed long term strategy must be set within a robust, legally binding framework with a statutory target for eradicating fuel poverty and clear milestones towards this target. Age Scotland believes the consultation requirements provide an opportunity for a high level of engagement with older people through our extensive network of over 1,000 local groups in Scotland.

**4. A draft fuel poverty strategy was published alongside the Bill on 27 June. Do you have any views on the extent to which the measures set out in the draft Fuel Poverty Strategy for Scotland 2018 will contribute to meeting the Government’s new target? Have lessons been learned from previous initiatives?**

We agree with the SWG that the new fuel poverty strategy must address all four drivers of fuel poverty (household income, energy costs, energy performance and how energy is used in the home).\(^7\) Age Scotland acknowledges that the Scottish Government does not have control over two of the main drivers of fuel poverty i.e. household income and energy costs. This will undoubtedly influence the extent to which the Scottish Government is able to achieve the targets set out in the Bill. Age Scotland agrees with the principles underpinning the draft strategy namely: It is based on the principle of social justice; addresses all four drivers of fuel poverty and sets out a statutory target relating to the eradication of fuel poverty, measured and overseen by Ministers and delivered locally.\(^8\)

**Energy Efficiency** – Age Scotland recognises the positive progress which has been made in recent years to improve the energy efficiency of the housing stock as evidenced by the fact that in 2016, 39 % of Scottish homes were rated as EPC band

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\(^7\) A Scotland without fuel poverty is a fairer Scotland: Four steps to achieving sustainable, affordable and attainable warmth and energy use for all, Report of the Scottish Fuel Poverty Strategic Working Group to the Cabinet Secretary for Communities
Age Scotland welcomes the measures set out in the *Scottish Fuel Poverty Strategy 2018* to improve the Energy Efficiency of Scotland’s housing stock. Age Scotland welcomes the drive, which we had previously called for, to develop new standards in the Private Rented Sector (PRS) and in the Owner Occupied sector.

**Age Scotland believes that the needs of older home owners must be kept under review, especially if new robust energy efficiency standards are to be introduced for the owner occupied sector.** Age Scotland believes there is a need for a range of assistance to be made available. The vast majority of older people own their own home it is therefore important for assistance to be available in the form of grant assistance and interest free loans in order to allow older people to install energy efficiency measures such as solid wall insulation, a new boiler or heating system or secondary glazing. Age Scotland believes that there will need to be substantial dedicated funding for incentives to match any new statutory standards particularly for older people who own their own home who are “asset rich” but remain “cash poor”. For this group of older people interest free loans may not provide a sufficient incentive.

**Age Scotland calls on the Scottish Government to explore whether home owners carrying out Energy Efficiency improvements should be eligible for a reduction/rebate on their council tax. In addition there should be clear advice and “signposts” to assistance so that older people know what is available and how to claim.**

**Remote, rural and island areas** – Age Scotland believes that a “one size fits all” approach is not appropriate in rural, remote and island areas as it does not meet the particular challenges of tackling fuel poverty and promoting energy efficiency in these areas. According to research in 2016: “mainstream energy efficiency measures have limited effect in the particular circumstances of remote, rural Scotland”. The low-cost energy efficiency measures promoted through local area based schemes e.g. cavity wall insulation and loft insulation, while undoubtedly beneficial in urban areas are harder to deliver in remote and rural areas. This is because many of the houses do not have cavity walls, it is expensive to deliver external wall cladding and many houses already use loft space as living space. In addition construction costs can be more expensive.

**Advice and Support** – Age Scotland welcomes the emphasis on providing advice and support to households on ways to save energy and improve access to affordable

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10 Age Scotland was a co-signatory to a Letter from the Existing Homes Alliance to the Minister for Local Government and Housing re: Consultation on energy efficiency in the private rented housing sector, 21 April 2017.
warmth, including by switching suppliers. Age Scotland recognises the work of national agencies such as Home Energy Scotland and Warmer Homes Scotland which was launched in September 2015 as a national scheme. Age Scotland believes that it is vital that there is a trusted source of advice available to the public. Home Energy Scotland have built up a good reputation as a “one stop shop” for clear, impartial and free advice. It is the view of Age Scotland that Home Energy Scotland are well placed to be the “public face” of the drive to eradicate fuel poverty. The national helpline and network of area offices and trained energy advisers on the ground can provide personalised bespoke advice, undertake home visits to vulnerable householders and are able to “sign post” customers to assistance.

Warmworks Scotland as the delivery arm of Warmer Homes Scotland has helped more than 4,900 households, with a range of energy saving measures, since its inception. Age Scotland acknowledges that the majority of people who have benefited from this scheme have been over 60 and we recognise the importance of this work in improving the lives of older people, particularly in remote “harder to heat” properties by installing a range of measures which have made homes warmer. These measures have included the installation of secondary glazing, cavity wall insulation, central heating systems, new heating systems, external wall insulation, loft insulation, new storage heaters and hot water systems.13

Maximising Incomes – Given that household income is one of the main drivers of fuel poverty Age Scotland supports the strong focus on maximising income particularly in relation to encouraging the take up of benefits and other entitlements. The Age Scotland Helpline took 10,761 calls in 2017/18 and generated an extra £587,176 of benefits for older people in Scotland.14 Age Scotland calls on the Scottish Government to enhance its benefit take up initiatives and to look at having a national, all year round awareness raising campaign to encourage benefit take up.

Duty for the Scottish Government to report on fuel poverty

5. Do you have any views on the Scottish Government’s reporting requirements to the Scottish Parliament, as set out in the Bill

Age Scotland believes that the proposal for the Scottish Government to publish a progress report every five years to be too infrequent and that the Scottish Government must provide more regular progress so that remedial action can be taken where appropriate.

14 Age Scotland Annual Review 2017/18, November 2018.